

1 were approached to buy this station were past TBN affiliates.

2 A I, I believe that to be the case, but Mrs. Duff
3 would have to answer --

4 Q Okay.

5 A -- if she went beyond TBN affiliates.

6 Q Now can you tell me how it was in National
7 Minority's best interest to sell the station to -- essentially
8 to a buyer -- to look for buyers that were only previous
9 affiliates with TBN?

10 A Well, only to say that it was NMTV's common goals
11 with that of Trinity to basically enhance and propagate the,
12 the, the good programming of the network. Since that was
13 NMTV's goals, I think it's logical to understand that it would
14 seek a buyer who would also fulfill its goals as well.

15 Q Okay. Could you turn to Bureau Exhibit 348.

16 JUDGE CHACHKIN: What number?

17 MR. McCURDY: 348.

18 JUDGE CHACHKIN: Bureau Exhibit 348?

19 BY MR. McCURDY:

20 A Yes, sir. I'm there.

21 Q Okay. Now actually you don't need to turn back to
22 that previous agreement, but I note from that, the special
23 meeting from Bureau Exhibit 327, Mr. Aguilar was not present
24 at that meeting. And I also note that he was not present at
25 this meeting. Did you -- do you recall any discussions with

1 Mr. Aguilar at this time concerning his absence?

2 A No, sir.

3 Q Okay. Now this is a -- this meeting makes reference
4 to a asset purchase agreement between National Minority and
5 Prime Time. You'll see on the last sentence of the second
6 paragraph, actually that's all one sentence.

7 A Yes, I see that.

8 Q Okay. And it has the date as December 4th, 1991.

9 A Yes.

10 Q And now this meeting occurred on April 5th, 1991.

11 Now I assume that December 4th, 1991, date is incorrect, and I
12 was wondering if you have any knowledge about that?

13 A No, sir. I, I've never noticed that before and
14 that, that does look unusual. I -- it, it may be a
15 typographical error. I, I just don't know.

16 JUDGE CHACHKIN: What is the date of the asset
17 agreement? Was it 19 --

18 MR. McCURDY: I don't know. We don't have that
19 asset agreement.

20 JUDGE CHACHKIN: Because what could be incorrect
21 could be the dates below that.

22 MR. McCURDY: Well, in the first sentence, too, it
23 says -- it repeats the April 5th, 1991.

24 JUDGE CHACHKIN: Yes, I --

25 MR. TOPEL: I, I think the April 5th date is, is accurate.

1 JUDGE CHACHKIN: Oh, then --
2 MR. McCURDY: Is inaccurate or accurate?
3 MR. TOPEL: Is accurate.
4 MR. McCURDY: I mean I -- one.
5 JUDGE CHACHKIN: Oh, I see.
6 MR. TOPEL: I think.
7 MR. McCURDY: I --
8 MR. TOPEL: Odessa was sold -- the station was sold,
9 the closing I believe occurred in April of '91. And I think
10 --
11 MR. McCURDY: Right.
12 MR. TOPEL: And I think this was the meeting to
13 authorize the closing.
14 JUDGE CHACHKIN: 19-- 1990, you think.
15 BY MR. McCURDY:
16 Q Yes, but that, that was -- could this have occurred
17 -- do you remember if it occurred in December 4th, 1990?
18 A I, I think that's probably the case.
19 Q Okay. Because I was just a bit confused on that
20 point. And --
21 A Yes, that, that is -- that's wrong, I can see that.
22 Q Now the asset purchase agreement referred to in this
23 letter, have you ever -- do you remember reviewing that
24 agreement?
25 A Did I remember what, sir?

1 Q Reviewing that, seeing that agreement?

2 A I, I may have generally reviewed it, but I, I have
3 no real independent recollection of that. Mrs. Duff was
4 handling that.

5 JUDGE CHACHKIN: The agreement is not in the record,
6 is it?

7 MR. McCURDY: No, it is not.

8 BY MR. McCURDY:

9 Q And do you remember any of the terms of that
10 agreement?

11 A All I was generally aware of, sir, was that it was
12 going to be a very favorable agreement, one with basically no
13 down-payment and making the terms suit the ability of, of the
14 buyer insofar as possible.

15 Q Okay. That, that was my next several questions
16 you're anticipating there. Now, now you testified there was
17 no down-payment and National Minority took back, I guess, an
18 agreement, a note agreement for \$650,000?

19 A I believe that's essentially it, yes, sir.

20 Q I believe. I'm putting this together because we
21 have no -- we don't have the agreement before us. Now besides
22 the debt, did National Minority retain any other interest in
23 the Odessa station?

24 A I don't, I don't believe so. I'm not -- I'm not
25 focusing or aware of any.

1 Q Okay. And at the time the agreement was reached,
2 what was your assessment of Prime Time Christian's financial
3 health?

4 A I'm not sure I really knew what their financial
5 health was. Part of the decision, I think, that tipped the
6 scale for Prime Time was they were also geographically located
7 closer than any of the other potential buyers to Midland
8 Odessa, which I think in our minds led us to believe that it
9 could be more economically managed and looked after.

10 Q Okay. So is it your testimony you didn't examine
11 Prime Time's books to see whether they'd be able to repay?

12 A Mrs. Duff may have, but I, I did not.

13 Q Do you remember being concerned at the time about
14 Prime Time's financial health?

15 A No, sir.

16 Q Okay. To your knowledge, did Prime Time offer any
17 security for the loan it received from National Minority?

18 A I believe, yes. It's the station itself was
19 certainly pledged as, as some security, but beyond that I am
20 not aware of any other.

21 Q Did NMTV attempt to get security other than the
22 station itself?

23 A I, I don't know.

24 Q Now the sale of the Odessa station to Prime Time
25 financially benefitted TBN, correct?

1 A I, I fail to see how it benefitted TBN.

2 Q Well, it was understood at the time Prime Time was
3 sold, was it not, that Prime Time would sign an affiliation
4 agreement with TBN?

5 A I'm not sure if that was a concurrent consideration
6 or not. Mrs. Duff would have to answer that.

7 Q So you -- you're -- it's your testimony that during
8 -- that you had no knowledge whether Prime Time was going to
9 continue its affiliation with TBN?

10 A I think I generally understood that it would. It
11 was already an affiliate in its primary station in New Mexico,
12 so I think certainly that was my hope and I think generally my
13 understanding, yes, sir.

14 Q Okay. And, in fact, that was why you had such
15 favorable rates for Prime Time, correct?

16 A It may have been. I think it finally just turned
17 out that Prime Time was the only person that, that finally
18 agreed to accept the station on, on any terms --

19 Q The only of the three you approached? Prime Time,
20 All American, and I forget what's --

21 A Tri State.

22 Q -- Tri State. Is that correct?

23 A I bel-- Mrs. Duff would have to tell you if she
24 approached anyone beyond those. I'm not aware of any.

25 Q Okay. Now -- but TBN continued then to receive zip

1 code revenues from the Odessa station, did it not?

2 A Yes.

3 Q Okay.

4 JUDGE CHACHKIN: NMTV didn't receive any revenues as
5 a result of the sale, did it?

6 DR. CROUCH: No, sir.

7 MR. McCURDY: Now I guess I'll ask you again. Why
8 was it in National Minority's best interest at this time to
9 sell the station to Prime Time.

10 DR. CROUCH: So that it could acquire a larger and
11 more viable market to, to support itself.

12 MR. McCURDY: Okay. But if --

13 JUDGE CHACHKIN: Support itself or to spread TBN's
14 message?

15 DR. CROUCH: Both.

16 BY MR. McCURDY:

17 Q Well, in regards to supporting itself, wouldn't it
18 have been in NMTV's best interest to sell the, the station for
19 as much money as it could get?

20 A Yes, sir.

21 Q And it did not, in fact, do that, correct?

22 A I think it tried.

23 Q Well, what efforts were made -- I mean I've been
24 trying to find this out, what efforts were made to contact
25 other possible buyers of the station?

1 A As I've, as I've testified, sir, Mrs. Duff handled
2 those arrangements and I, I know of AATV, I know of Tri State.
3 Beyond that, I, I'm not sure. I believe -- now that I think
4 about it, I believe she did contact an owner down in Orlando,
5 Florida, Mr. Claude Bowers. I can't swear to that, but I
6 believe she did.

7 JUDGE CHACHKIN: What station -- what kind of
8 program did he have?

9 DR. CROUCH: He was an independent operator that we
10 simply purchased time, at the time, sir, for the Praise the
11 Lord program. He was not, in my memory, a full-fledged
12 affiliate with an affiliation agreement similar to Prime Time.

13 BY MR. McCURDY:

14 Q But he carried TBN programming also?

15 A Just the Praise the Lord program, primarily for
16 which we purchased that time.

17 Q Okay. Now did anyone approach you about buying the
18 Odessa station, independent of these four entities you have
19 mentioned?

20 A Not, not to my recollection.

21 Q Did you discuss the sale of the station with
22 Mr. Gammon, who I believe handled some of your other purchases
23 you had said.

24 A I, I have no independent of any discussion with
25 Mr. Gammon. He is the station broker and I suppose I could

1 have mentioned it to him, but I don't, I really don't recall.

2 Q Okay. And -- strike that. Now you mentioned that
3 you wanted -- NMTV wanted to purchase in a larger market,
4 correct?

5 A Yes.

6 Q Okay. And that was the reason for sell -- one of
7 the reasons for selling Odessa?

8 A Yes, sir.

9 Q And then you have also testified that National
10 Minority wanted to become independent at some point.

11 A Yes, sir.

12 Q And was the sale to -- the sale to Prime Time
13 consistent with those goals, in your view?

14 A I think so. It was a, a station that would never
15 have been a strong supporting station for NMTV, and I, I think
16 that was certainly consistent with, with the goals.

17 Q Well, I was thinking more in terms of the money you
18 received for the station, the price received.

19 A I think Mrs. Duff felt that she had exhausted every
20 possibility in that area, and that we did the best we could
21 do.

22 Q But you took no independent action though, I
23 believe, to secure the sale and it --

24 A No, sir. I did not.

25 Q Okay.

1 JUDGE CHACHKIN: You're not aware of any attempt to
2 sell the station to a person putting on commercial
3 programming?

4 DR. CROUCH: No, sir.

5 BY MR. McCURDY:

6 Q Could you turn finally to Bureau Exhibit 412.

7 A It's in the next volume, is it?

8 Q Yes, final volume, final page.

9 A Yes, sir. I'm there.

10 Q Okay. I'm sorry, first page. Now you looked at
11 this paragraph before. This was when the National Minority
12 board decided to forgive the Prime Time loan.

13 A Yes, sir.

14 Q Now you abstained from voting on this issue. Did
15 you explain to the board why you were abstaining?

16 A It was on the advice of counsel.

17 Q And did you make that explicit to the board?

18 A I believe I did.

19 Q And did you tell them why the counsel -- what reason
20 counsel suggested you abstain?

21 A I, I don't have any independent recollection of, of
22 that, but I think they were generally aware of the fact that
23 it -- this matter had been set for a, a hearing.

24 Q Okay. Now during this board meeting, were there any
25 discussions of the affiliation agreement between TBN and Prime

1 Time Christian?

2 A I don't, I don't recall any.

3 Q Do you recall being concerned with that during the
4 meeting?

5 A No, sir.

6 Q So it never occurred to you that it should be
7 mentioned?

8 A I, I just don't have any recollection of focusing on
9 that.

10 Q Okay. What -- now was there any discussion of the
11 fact that this National Minority action would materially
12 benefit TBN?

13 A No, sir. I recall no such discussion.

14 Q This action, this action was detrimental to National
15 Minority's balance sheet, correct?

16 A In, in what way?

17 Q Well, I believe they're writing off an asset of
18 \$650,000.

19 A Yes, sir. That's true.

20 Q Okay. And it was beneficial to TBN, correct?

21 A To the extent, I guess, that the TBN programming
22 remained on, yes.

23 Q Okay. Now you testified earlier that one of your
24 goals was to see NMTV become an independent corporation,
25 correct?

1 A Yes, sir.

2 Q And can you tell me how this action helped NMTV
3 achieve those -- that goal?

4 A This instant action probably did not achieve that
5 goal.

6 Q Okay. Can you tell me were you in agree-- in
7 agreement with this action?

8 A Generally speaking, yes.

9 Q Okay. And can you tell me how it would benefit
10 National Minority to take this action?

11 A It, it didn't benefit National Minority, other than
12 to get an unproductive station off of its back so that it
13 could move on to a larger market and better supporting
14 station.

15 Q But that station already had been taken off its
16 back, correct?

17 A Yes. And the debt certainly was not an enhancing --
18 the forgiveness of the debt did not enhance National Minority,
19 but again, sir, we're, we're in the area of, of, of non-profit
20 world. If National Minority ever reaches a point where it
21 cannot repay its debt, I will certainly recommend that Trinity
22 Broadcasting forgive its debt.

23 Q Okay. Now that's my next point here. In fact,
24 National Minority was in debt, at this time, substantially to
25 TBN, correct?

1 A Yes, I, I think that's a fair statement.

2 Q And this is where I have a problem with
3 conceptualizing the reason to take this action and I was
4 hoping you could help me. How did, how did forgiving this
5 loan help NMTV accomplish any of the goals that it was
6 originally organized, organized for?

7 A It's simply one of those areas that I, I keep
8 talking to you about, about the area in the world of
9 non-profits. It, it may not have benefitted itself in that
10 instant situation, but we simply believe that in the area of
11 forgiveness and forgiving of debt, that there are returns in a
12 spiritual sense to that donor, a blessing.

13 Q Well, I would understand that if National Minority
14 was not in debt itself, but here is a corporation that was
15 still struggling to survive.

16 A The blessing comes, sir, whether you're out of debt
17 or in debt. You give.

18 Q Now another goal of National Minority was to
19 increase -- to integrate minorities into ownership positions,
20 correct?

21 A Yes, sir.

22 Q Okay. Now Prime Time Christian isn't a minority --
23 wasn't a minority organization, was it?

24 A I don't believe it is.

25 Q Okay. Now was there any discussion, do you recall,

1 at this meeting about foreclosing on the loan and perhaps
2 giving or selling Odessa to a minority-controlled corporation?

3 A Sir, that just doesn't happen in the world of
4 church-related non-profit organizations. There is a
5 scriptural prohibition from suing your brother at law, and we,
6 we would not have done.

7 Q Well, this would not be suing them, would it?

8 A Well, I don't know. A foreclosure sounds pretty
9 legal to me. I, I'm not a lawyer.

10 Q What is your understanding of calling in the --
11 never mind, strike that. I have no further questions.

12 JUDGE CHACHKIN: Well, you did say part of the
13 purchase agreement, that you held security to their physical
14 assets, did you not?

15 DR. CROUCH: I believe that was the case, Your
16 Honor.

17 JUDGE CHACHKIN: But there was no attempt to obtain
18 the physical assets back and try to sell them independently,
19 was there, to get some of the debt back?

20 DR. CROUCH: No, sir. If we had have done that, it
21 would have effectively shut the station off the air and, and
22 we didn't want to do that.

23 JUDGE CHACHKIN: All right. We'll be in recess. I
24 assume you have some re-direct?

25 MR. TOPEL: Very, very short, Your Honor.

1 JUDGE CHACHKIN: How short?

2 MR. TOPEL: Very short. I can -- we --

3 JUDGE CHACHKIN: Well, we might as well do it now
4 and then take a lunch recess.

5 MR. TOPEL: Okay. That --

6 JUDGE CHACHKIN: If it's all right with -- if that's
7 the way you want to go, if it's all right.

8 MR. TOPEL: That will be -- yes, that'll be fine.

9 JUDGE CHACHKIN: All right. Fine. It would be
10 appreciated, I'm sure.

11 MR. TOPEL: Do you have tab --

12 JUDGE CHACHKIN: We'll go off the record for a
13 couple of minutes until --

14 MR. TOPEL: I'm ready, Your Honor.

15 JUDGE CHACHKIN: Are you ready? All right. Back on
16 the record.

17 MR. TOPEL: Thank you.

18 REDIRECT EXAMINATION

19 BY MR. TOPEL:

20 Q Dr. Crouch, if you could turn to Mass Media Bureau
21 Exhibit 394, which is in Volume Six. I just have one short
22 question on that.

23 A Yes, sir. I am there.

24 Q Okay. And you see in the first sentence that this
25 meeting on May 8th, 1992, was held at Newport Beach,

1 California. My question is do you recall where in Newport
2 Beach, California, that meeting was held?

3 A Yes, sir. That would have been at, at the Meridian
4 Hotel.

5 Q You testified about a general NMTV policy regarding
6 your verbal approval of expenses for over \$1,000. My question
7 is to what extent does that general policy apply to all NMTV
8 expenses?

9 A Typically, sir, that would have related to -- my
10 involvement would have been, as I have stated a number of
11 times, mostly in the, in the, in the technical areas,
12 expenditures in excess of \$1,000 would have typically been
13 approved by myself. And in non-technical areas, expenditures
14 in excess of \$1,000 would have typically been ex-- approved by
15 Mrs. Duff.

16 Q I have no other questions, Your Honor.

17 JUDGE CHACHKIN: You are excused. Thank you very
18 much.

19 DR. CROUCH: Thank you, sir.

20 MR. COHEN: I have one -- could I just have one
21 question on that, oh, \$1,000, Your Honor, just if I could.

22 JUDGE CHACHKIN: All right. I'm sorry, go ahead,
23 Mr. Cohen.

24 MR. COHEN: And I'm, I'm not trying to, to guild the
25 lily, Your Honor.

1 JUDGE CHACHKIN: No, go ahead. Go ahead, Mr. Cohen.

2 RECROSS EXAMINATION

3 BY MR. COHEN:

4 Q Now am I correct, so the record is clear,
5 Dr. Crouch, help me, but it was my understanding that NMTV's
6 policy regarding requests over \$500 required two signatures,
7 is that correct?

8 A Generally speaking, I believe that is, I believe
9 that is the case, yes.

10 Q And am I correct also, Dr. Crouch, that Trinity has
11 the same policy, to wit, that two signatures are required for
12 expenditures over \$500?

13 A Yes.

14 Q That's all I have, Your Honor.

15 JUDGE CHACHKIN: You are now excused.

16 DR. CROUCH: Thank you, sir.

17 JUDGE CHACHKIN: We have one more witness, is that
18 -- yes, we --

19 MR. TOPEL: Yes -- appearance, Mr. May.

20 JUDGE CHACHKIN: Well, in view of that fact, we'll
21 take a recess till two o'clock.

22 (Whereupon, a recess was taken for lunch from
23 12:37 p.m. to 2:03 p.m.)

24

25

A F T E R N O O N S E S S I O N

1
2 JUDGE CHACHKIN: You know, I -- we might have
3 omitted something with respect to Dr. Crouch. I think we're
4 going to expect to see --

5 MR. EMMONS: I think we anticipated that. We, we
6 flip-flopped on that, Your Honor. I have talked to all the
7 parties this morning about it and we decided we, we would go
8 back to the original plan of offering that stuff at the end of
9 the session, rather than do it --

10 JUDGE CHACHKIN: Bringing Dr. Crouch back, is that
11 the plan?

12 MR. EMMONS: We'll either do that or we'll have the
13 same testimony for a different witness.

14 (Asides.)

15 JUDGE CHACHKIN: All right.

16 MR. COHEN: We were agreeable to that, Your Honor.

17 JUDGE CHACHKIN: No, that's fine. I, I --

18 MR. EMMONS: I didn't think -- I didn't think you
19 cared.

20 JUDGE CHACHKIN: It's not that I cared, it's just
21 that I remembered, recalled after he left the stand that
22 Dr. Crouch was going to also testify to that before he left.

23 MR. EMMONS: What I meant by cared, I mean I don't
24 think it didn't matter to you how we handled it, that's what I
25 meant.

1 JUDGE CHACHKIN: No.

2 MR. EMMONS: I know you care, but I mean --

3 JUDGE CHACHKIN: No, I wasn't aware of -- well, in
4 any event, let's proceed.

5 MR. TOPEL: Okay. Your -- Your Honor --

6 JUDGE CHACHKIN: First, I'll --

7 MR. EMMONS: Yes.

8 JUDGE CHACHKIN: Who is your next witness,
9 Mr. Topel?

10 MR. TOPEL: I call to the witness stand, Mr. Colby
11 May.

12 (Asides.)

13 Whereupon,

14 COLBY M. MAY

15 was called as a witness and, after having first been duly
16 sworn, was examined and testified as follows:

17 DIRECT EXAMINATION

18 BY MR. TOPEL:

19 Q Sir, would you please state your full name for the
20 record?

21 A Colby M. May.

22 Q And could you state your residence address, please?

23 A I live at 2338 Walnut Street, Falls Church,
24 Virginia.

25 Q Thank you Mr. May, I'm showing you a document that

1 has been received into this, into evidence in this proceeding
2 as Trinity Broadcasting of Florida Exhibit 105, it bears the
3 caption testimony of Colby M. May, and continues through 21
4 pages. And after the 21st page is a document title -- a page
5 titled supporting declaration. And is that your signature on
6 that page, sir?

7 A Yes, sir.

8 Q And does this document constitute your direct
9 testimony in this FCC proceeding?

10 A Yes, sir.

11 Q Your Honor, I believe the witness is available for
12 cross-examination.

13 JUDGE CHACHKIN: All right. Mr. Cohen, you're going
14 to lead off?

15 CROSS EXAMINATION

16 BY MR. COHEN:

17 Q Good afternoon, Mr. May. First, I wanted to make
18 sure that the record is clear on the sequestration which the
19 Judge has ordered. You, of course, as, as counsel and one of
20 Trinity's counsel is aware of that sequestration, am I
21 correct?

22 A Yes, sir.

23 Q Okay. And I -- am I correct that you have no
24 knowledge of any of the questions or answers put to Dr. Crouch
25 or Reverend Hill or Mrs. Duff?

1 A No, sir.

2 Q And you have no knowledge of, of their testimony, am
3 I correct?

4 A I have read the direct cases that, that -- the
5 direct testimony that they submitted.

6 Q Your point is well taken. I, I did not have
7 reference and my question was not clear. I was not asking you
8 then about the written testimony, I was talking about the oral
9 testimony. So my question again is you have no knowledge, am
10 I correct, of the oral testimony of any of those persons?

11 A No, sir.

12 Q Now as, as we speak here today, you are -- you and
13 your law firm are counsel to NMTV, am I correct?

14 A Yes, sir.

15 Q And you and your law firm, your law firm is counsel
16 to TBN, is that correct?

17 A Yes, sir.

18 Q Now --

19 A Could I perhaps clarify, I think, as to --

20 Q Certainly.

21 A -- my appearance here today?

22 Q Well, I understand that you are not appearing as
23 counsel today.

24 A Yes.

25 Q You are appearing as a witness.

1 A Okay.

2 Q I recognize that.

3 A Thank you.

4 Q And I, I certainly understood that. So it's clear
5 to you, I do not interpret your appearance here today in any
6 way as a, as, as appearing as, as counsel. You are appearing
7 as a witness.

8 A Yes, I am appearing today as a witness.

9 Q And you have counsel representing you today?

10 Represent-- strike that, strike that, strike that. Now isn't
11 it true that in connection with your law firm's representation
12 of NMTV and TBN, that there came a time that you realized your
13 law firm had conflicts of interest?

14 A Yes, sir.

15 Q Now an example of such a conflict, I suggest, would
16 be the loans that were negotiated between TBN and NMTV. Would
17 you agree with that?

18 A Mr. Cohen, are you asking me if, at the time loans
19 were made, I stated to both clients that I have a conflict of
20 interest?

21 Q I didn't ask you that question.

22 A Well, that's what I'm trying --

23 Q I'm -- the question I'm asking you is would you
24 agree that an example of conflict of interest occurred when
25 the loans began being executed between NMTV and TBN?

1 A When loans are made between one client and another,
2 in this case TBN to NMTV, that, that is a conflict area.

3 Q Now you say that's a conflict area. Would, would
4 you agree that when such loans were made, that that
5 constituted for your law firm a conflict of interest?

6 A Yes.

7 Q Now do you have a recollection of when you -- strike
8 that. Isn't it true that you discussed your law firm's
9 conflict of interest regarding loans to NMTV by TBN with
10 Mrs. Duff?

11 A Yes, sir.

12 Q And do you recall when you had that conversation or
13 conversations?

14 A Approximately at the time the loans were
15 forthcoming.

16 Q And give me your best recollection as to when the
17 first conversation occurred, if there were more than -- if
18 there was more than one.

19 A My best recollection is that in January of 1987 was
20 the first time that kind of issue was discussed as to me.

21 Q Now you have a, a recollection then, Mr. May, of, of
22 having a conversation or a discussion with Mrs. Duff in -- you
23 said that was January of '87?

24 A Yes, sir.

25 Q In January of '87, concerning any conflict of

1 interest that your law, your law firm had?

2 A Yes, sir. That's what I said.

3 Q And give me your best recollection of the -- strike
4 that. Was this a conversation between you and Mrs. Duff?

5 A Yes.

6 Q Was this in person or by telephone?

7 A I recall it was by telephone. I could have also
8 been in person, however.

9 Q Was anyone else on the, on the call?

10 A Not that I recall.

11 Q Will you give me your best recollection of the
12 substance of the conversation?

13 A At that time, the National Minority TV company, then
14 known as Translator Television, was negotiating for the
15 purchase of an un-built construction permit in Odessa, Texas,
16 and as part of the procedures for the FCC assignment, they
17 needed to certify their financial wherewithal, and at that
18 time it was contemplated that they would be borrowing money
19 from the Trinity organization. And when that was brought into
20 focus, I mentioned to Mrs. Duff that I could not -- I
21 mentioned to Mrs. Duff that I had a conflict because obviously
22 I was representing Trinity at the time, now representing NMTV,
23 and one loan would be forthcoming from one client to another.
24 That is, of course, provided that the FCC were to grant the
25 application and the loans were actually made.

1 Q Now isn't it true -- well, strike that. How many
2 conversations to you recall having with Mrs. Duff concerning
3 the matter of conflicts of interest that your law firm had?

4 A I had a number of them through the years, sir.

5 Q Can you give me your best recollection of the
6 number? Give me an estimate?

7 A Not really.

8 Q Was it more than six?

9 A I believe so, yes.

10 Q And did these conversations all pertain to various
11 activities that were occurring, which caused you to conclude
12 that, that there was a conflict of interest bet-- is that, is
13 that how this came up and is that the context?

14 A When I thought there was a conflict, I, I tried to
15 bring it up. I did bring it up.

16 Q And you brought them up with Mrs. Duff?

17 A As to National Minority, yes, sir.

18 Q And was this always done orally?

19 A I believe so, yes, sir.

20 Q Do you have a recollection of ever writing a letter
21 to Mrs. Duff concerning conflict of interest?

22 A Not that I can recall.

23 Q Now isn't it true that you never discussed the
24 conflict of interest involving loans to NMTV with any NMTV
25 director who was not an employee of TBN?